

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL				5. MINERAL LEASE NO: ML-49255	6. SURFACE: State
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>				7. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input type="checkbox"/> OTHER <u>Injection</u> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>				8. UNIT or CA AGREEMENT NAME: N/A	
2. NAME OF OPERATOR: Summit Operating, LLC				9. WELL NAME and NUMBER: Westwater State 4-2-19-25	
3. ADDRESS OF OPERATOR: 2064 Prospector Ave 102 CITY Park City STATE UT ZIP 84060			PHONE NUMBER: (435) 940-9001		
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 503' FNL, 502' FWL <u>662-013X</u> <u>39.189432</u> <u>43392664</u> <u>-109.124104</u> AT PROPOSED PRODUCING ZONE: 503' FNL, 502' FWL				10. FIELD AND POOL, OR WILDCAT: <u>Green Cisco</u> <u>205</u> 11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 2 19S 25E S	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 1.2 miles North and East of Harley Dome				12. COUNTY: Grand	
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 502'		16. NUMBER OF ACRES IN LEASE: 160		17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) See attached map		19. PROPOSED DEPTH: 1,725		20. BOND DESCRIPTION: N 23-15	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 4763' GR		22. APPROXIMATE DATE WORK WILL START: 7/1/2009		23. ESTIMATED DURATION: 28 Days	

24. PROPOSED CASING AND CEMENTING PROGRAM							
SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT		
12-1/4"	9-5/8"	H-40	32.3#	170	NEAT Class A Slurry	90 Sacks	1.18 cu ft/sk 15.6 ppg
8-5/8"	7"	J-55 LT&G	23.0#	1,725	50/50 Pozmix	141 Sacks	1.40 cu ft/sk 13.6 ppg

25. ATTACHMENTS

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER	<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN
<input type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER	<input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) David Knudsen TITLE Summit Operating, LLC

SIGNATURE [Signature] DATE _____

**Approved by the
Utah Division of
Oil, Gas and Mining**

API NUMBER ASSIGNED: 43019-31623

Date: 08-03-09

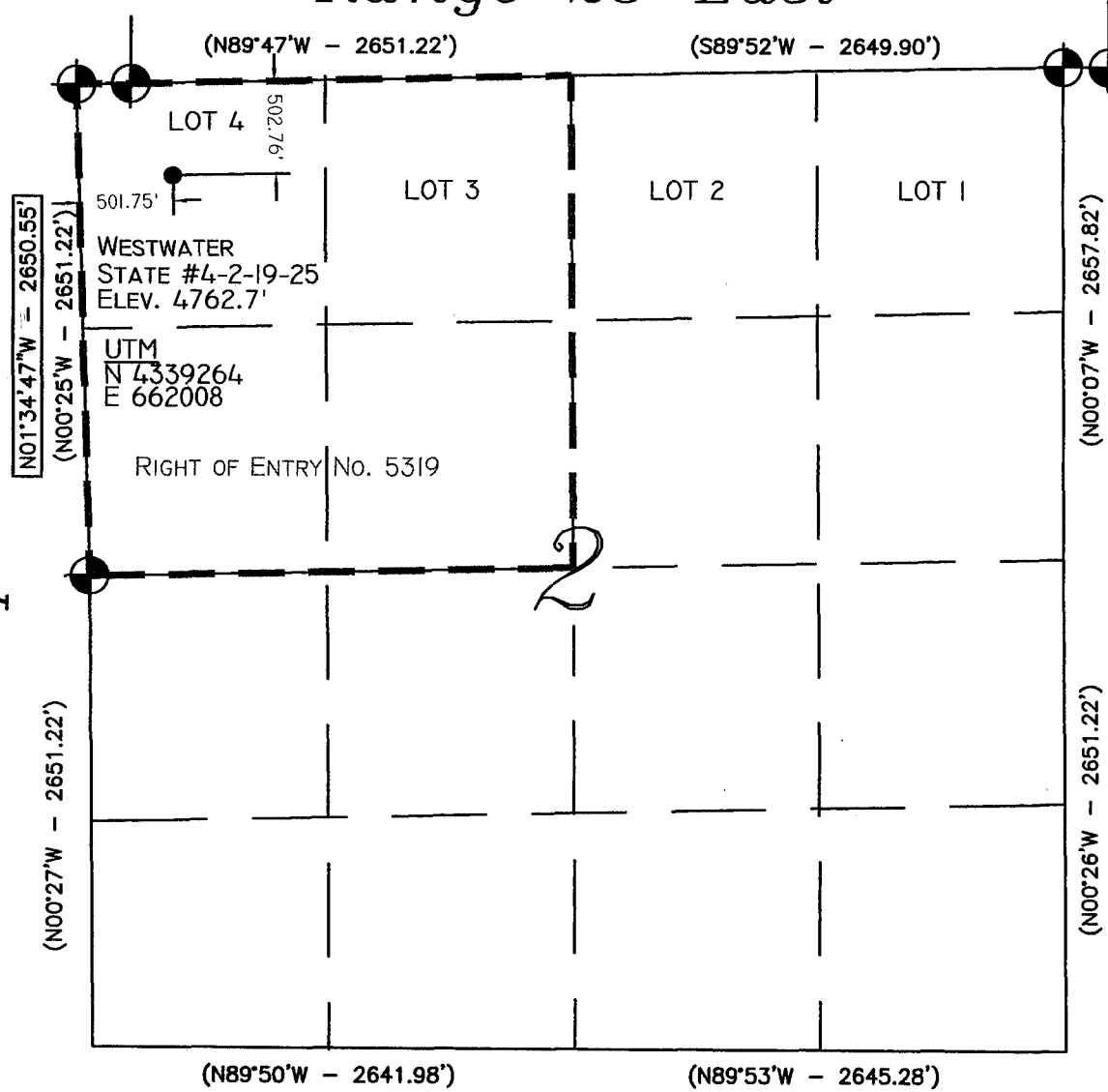
By: [Signature]

RECEIVED
JUN 08 2009

DIV. OF OIL, GAS & MINING

Range 25 East

Township 19 South



Location:

The well location was determined using a Trimble 5700 GPS survey grade unit.

Basis of Bearing:

The Basis of Bearing is GPS Measured.

GLO Bearing:

The Bearings indicated are per the recorded plat obtained from the U.S. Land Office.

Basis of Elevation:

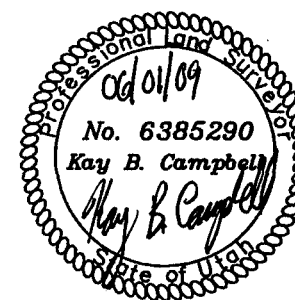
Basis of Elevation was assumed 4787.21' based off of a GPS observation being the Northwest Section Corner of Section 2, Township 19 South, Range 25 East, Salt Lake Base and Meridian.

Description of Location:

Proposed Drill Hole located in the NW/4 NW/4 of Section 2, T19S, R25E, S.L.B.&M., being South 502.76' from North Line and East 501.75' from West Line of Section 2, T19S, R25E, Salt Lake Base and Meridian.

Surveyor's Certificate:

I, Kay B. Campbell, a Professional Land Surveyor, holding Certificate 6385290 State of Utah, do hereby certify that the information on this drawing is a true and accurate survey based on data of record and was conducted under my personal direction and supervision as shown hereon.



TALON RESOURCES, INC.

615 North 400 East P.O. Box 1230
Huntington, Utah 84528
Phone (435)687-5310 Fax (435)687-5311
E-Mail talonectv.net

SUMMIT OPERATING

Westwater State #4-2-19-25
Section 2, T19S, R25E, S.L.B.&M.
Grand County, Utah

Drawn By: N. BUTKOVICH	Checked By: L.W.J./K.B.C.
Drawing No. A-1	Date: 4/29/09
	Scale: 1" = 1000'
Sheet 1 of 4	Job No. 4185

Legend

- Drill Hole Location
- ⊙ Brass Cap (Found)
- Brass Cap (Searched for, but not found)
- △ Calculated Corner
- () GLO

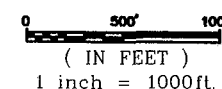
GPS Measured

NOTES:

- Dimensions are GPS measured unless noted otherwise.
- UTM and Latitude / Longitude Coordinates are derived using a GPS Pathfinder and are shown in NAD 27 Datum.

LAT / LONG
39°11'21.886" N
109°07'26.992" W

GRAPHIC SCALE



DRILLING PROGRAM

Attached to UDOGM Form 3

Summit Operating, LLC

Westwater State 4-2-19-25

NW/4 NW/4, Lot 4, Sec. 2, T19S, R25E, SLB & M

503' FNL, 502' FWL

Grand County, Utah

1. The Geologic Surface Formation

Tununk Member Mancos Shale

2. Estimated Tops of Important Geologic Markers

KB	Ground + 10'
✓ Dakota Sandstone	35'
Cedar Mountain Formation	115'
Brushy Basin Member Morrison	180'
✓ Salt Wash Member Morrison	600'
Tidwell Member Morrison	817'
Summerville Formation	852'
✓ Slick Rock Member Entrada	897'
✓ Kayenta Formation	1145'
✓ Wingate Sandstone	1353'
Chinle Formation	1687'
TD Chinle Formation	1735'

3. Projected Gas & Water Zones

No Groundwater is anticipated to be encountered. Water encountered will be reported on a Form 7 "Report of Water Encountered During Drilling".

Casing & cementing will be done to protect potentially productive hydrocarbons, lost circulation zones, abnormal pressure zones, and prospectively valuable mineral deposits. All indications of usable water will be reported.

Surface casing will be tested to 1000 psi for 10 minutes. Pressure drop is not to exceed 150 psi.

4. The Proposed Casing and Cementing Programs

Casing Program

HOLE SIZE	SETTING DEPTH (INTERVAL)	SIZE (OD)	WEIGHT, GRADE & JOINT	CONDITION
12-1/4"	170'	9-5/8"	32.3# H-40	New
8-5/8	1,725'	7"	23# J-55 LT&C	New

Cement Program

Only the surface casing will be cemented aback to surface.

Surface Casing: 90 sacks NEAT Class A Slurry
Weight: 15.6 # / gal
Yield: 1.18 cu.ft / sk

Production Casing: 141 sacks Class H 50-50 Pozmix W/2% Bentonite &
Pounds/sk Gilsonite
Weight: 13.6 # / gal
Yield: 1.40 cu.ft / sk

The following shall be entered in the driller's log:

- 1) Blowout preventer pressure tests, including test pressures and results;
- 2) Blowout preventer tests for proper functioning;
- 3) Blowout prevention drills conducted;
- 4) Casing run, including size, grade, weight, and depth set;
- 5) How the pipe was cemented, including amount of cement, type, whether cement circulated, location of the cementing tools, etc.;
- 6) Waiting on cement time for each casing string;
- 7) Casing pressure tests after cementing, including test pressures and results.

5. The Operator's Minimum Specifications for Pressure Control

See the "BOPE schematic diagram" for the blowout preventer equipment. An 11" 3,000 psi double-ram BOPE equipment with a rotating head. No annular preventer will be needed. The BOP will be tested and charted using a BOP tester and test plug to 3,000 psi for 10 minutes. All text will be recorded in the Driller's log book. Physical operation of the BOP will be checked on each trip.

6. The Type and Characteristics of the Proposed Circulating Muds

Surface hole will be drilled with air/mist/foam

Long string hole will be drilled with air/mist/foam until conditions require circulation with gel/chem. mud

7. The Testing, Logging and Coring Programs are as followed

Testing –

DST's are not planned

Logging –

End of Surface casing - TD Gamma Ray, Density-Neutron Porosity,
Induction, Caliper

Coring --

No coring is planned for this location

Any Anticipated Abnormal Pressures or Temperatures

No abnormal pressures or temperatures have been noted or reported in wells drilled in The area nor at the depths anticipated in this well. Bottom hole pressure expected is 700 psi max. No hydrogen sulfide or other hazardous gases or fluids have been found, reported or are known to exist at these depths in the area.

8. Anticipated Starting Date and Duration of the Operations.

The well will be drilled approx.: July 1, 2009

Verbal and/or written notifications listed below shall be submitted in accordance with instructions from the Division of Oil, Gas & Mining:

(a) prior to beginning construction;

- (b) prior to spudding;
- (c) prior to running any casing or BOP tests;
- (d) prior to plugging the well, for verbal plugging instructions.

Spills, blowouts, fires, leaks, accidents or other unusual occurrences shall be reported to the Division of Oil, Gas & Mining immediately.

Multipoint Surface Use Plan

Attached to UDOGM Form 3

Summit Operating, LLC

Westwater State 4-2-19-25

NW/4 NW/4, Lot 4, Sec. 2, T19S, R25E, SLB & M

503' FNL, 502' FWL

Grand County, Utah

1. Existing Roads

- a. The proposed access road will be Constructed consistent with the State of Utah and Summit Operating, LLC, and will encroach on Grand County Road 193. County Road 193 is the main access into this area.
- b. Existing roads will be maintained in the same or better condition.

2. Planned Access

Approximately 400' of new access will be required. Access is determined by acquired Right of way by the surface owner.

- a. Maximum Width: 24'
- b. Maximum grade: 10 %
- c. Turnouts: None
- d. Drainage design: 1 – 18" culvert" may be required along the new portion of the road. Water will be diverted around the road as necessary and practical.
- e. When the well is completed for injection, the road will be upgraded with a gravel surface and maintained as necessary to prevent soil erosion and accommodate year-round traffic.
- f. Existing trees will be left in place where practical to provide screening and buffer areas.

3. Location of Existing Wells

- a. See Drawing L-1. There is existing well locations within a one mile radius of the proposed location.

4. Location of Existing and/or Proposed Facilities

- a. When the well is completed as an injection well, water storage, oil separation, and pumping facilities will be constructed to support injection activities.
- b. All surface area of the pad will be utilized for Injection facilities and equipment. Rehabilitation of any areas not used will be made in accordance with landowner stipulations.

5. Location and Type of Water Supply

- a. Water to be used for drilling will be obtained from a commercial irrigation company, Ute Water Conservancy District, from their tap in Mack, Colorado or a municipal source in Fruita, CO. and trucked to the site.
- b. Water will be transported by truck over approved access roads.
- c. No water well is to be drilled for this location.

6. Source of Construction Materials

- a. Any necessary construction materials needed will be obtained locally from a private source and hauled to the location on existing roads.
- b. No construction or surfacing materials will be taken from Federal/Indian land.

7. Methods for handling waste disposal

- a. A reserve pit will be constructed with a minimum of one-half the total depth below the original ground surface on the lowest point within the pit. The pit will be lined with a synthetic liner. Three sides of the reserve pit will be fenced within 24 hours after completion of construction and the fourth side within 24 hours after drilling operations cease with four strands of barbed wire, or woven wire topped with barbed wire to a height of not less than four feet. The fence will be kept in good repair while the pit is drying.

- b. Following drilling, the liquid waste will be evaporated from the pit and the pit backfilled and returned to natural grade. No liquid hydrocarbons will be discharged to the reserve pit or location.
- c. In the event fluids are produced, any oil will be retained in tanks until sold and any water produced will be retained until its quality can be determined. The quality and quantity of the water will determine the method of disposal.
- d. Trash will be contained in a portable metal container and will be hauled from location periodically and disposed of at an approved disposal site. Chemical toilets will be placed on location and sewage will be disposed of at an appropriate disposal site.

8. Ancillary Facilities

- a. We anticipate no need for ancillary facilities with the exception of trailers to be located on the drill site.

9. Well-site Layout

- a. Available topsoil will be removed and stockpiled as reflected on Drawing A-2. Any excess subsoil will also be stockpiled as reflected on Drawing A-2. Location of the rig, reserve and blooie pits, and drilling support equipment will be located as shown on "Rig and Equipment Layout" drawing.
- b. A blooie pit will be located in the southeast corner of the pad and 100' from the drill hole. A line will be placed on the surface from the center hole to the blooie pit. The blooie pit will not be lined, but will be initially fenced on three sides to protect livestock/wildlife.
- c. Access to the well pad will be as shown on Drawing L-1.
- d. Natural runoff will be diverted around the well pad.

10. Plans for Restoration of Surface

- a. All surface areas not required for injection operations will be graded to as near original condition as possible and contoured to maintain possible erosion to a minimum.
- b. Available topsoil will be stockpiled and will be evenly distributed over the disturbed areas and the area will be reseeded as prescribed by the landowner.
- c. Pits and any other area that would present a hazard to wildlife or livestock will be fenced off when the rig is released and removed.

- d. Any oil accumulation on the pit will be removed or overhead flagged as dictated by then existed conditions.
- e. Injection facility construction will commence following the completion of the well. If the well-site is to be abandoned, all disturbed areas will be recontoured to the natural contour as is possible.

11. Surface Ownership

- a. The well-site and access road will be constructed on lands owned by the School and Institutional Trust Lands Administration, 675 East 500 South, Salt Lake City, Utah 84102-2818; 801-538-5100. The operator shall contact the landowner and the Division of Oil, Gas and Mining 48 hours prior to beginning construction activities.

12. Other Information:

- a. The primary surface use is wildlife habitat and grazing. The nearest dwelling is approximately 1.2 miles southwest. Nearest live water is in Bitter Creek, 1.8 miles South and East.
- b. If there is snow on the ground when construction begins, it will be removed before the soil is disturbed, and piled downhill from the topsoil stockpile location.
- c. The back-slope and fore-slope will be constructed no steeper than 3:1.
- d. All equipment and vehicles will be confined to the access road and well pad.
- e. A complete copy of the approved Application for Permit to Drill (APD) including conditions and stipulations shall be on the well-site during construction and drilling operations.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the Division of Oil, Gas & Mining.

13. **Company Representative**

David Knudson
Summit Operating, LLC.
1441 Ute Blvd
Suite 280
Park City, Utah 84098
1-435-940-9001

Permitting Consultant

Larry W. Johnson
Talon Resources, Inc.
195 North 100 West
Huntington, UT. 84528
1-435-687-5310

Excavation Contractor

High Desert Excavating
P.O. Box 75
Green River, Utah 84525
1-435-820-0288

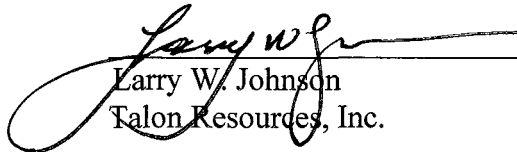
Mail Approved A.P.D. To:

Company Representative

14. **Certification**

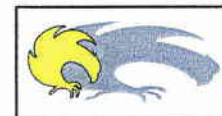
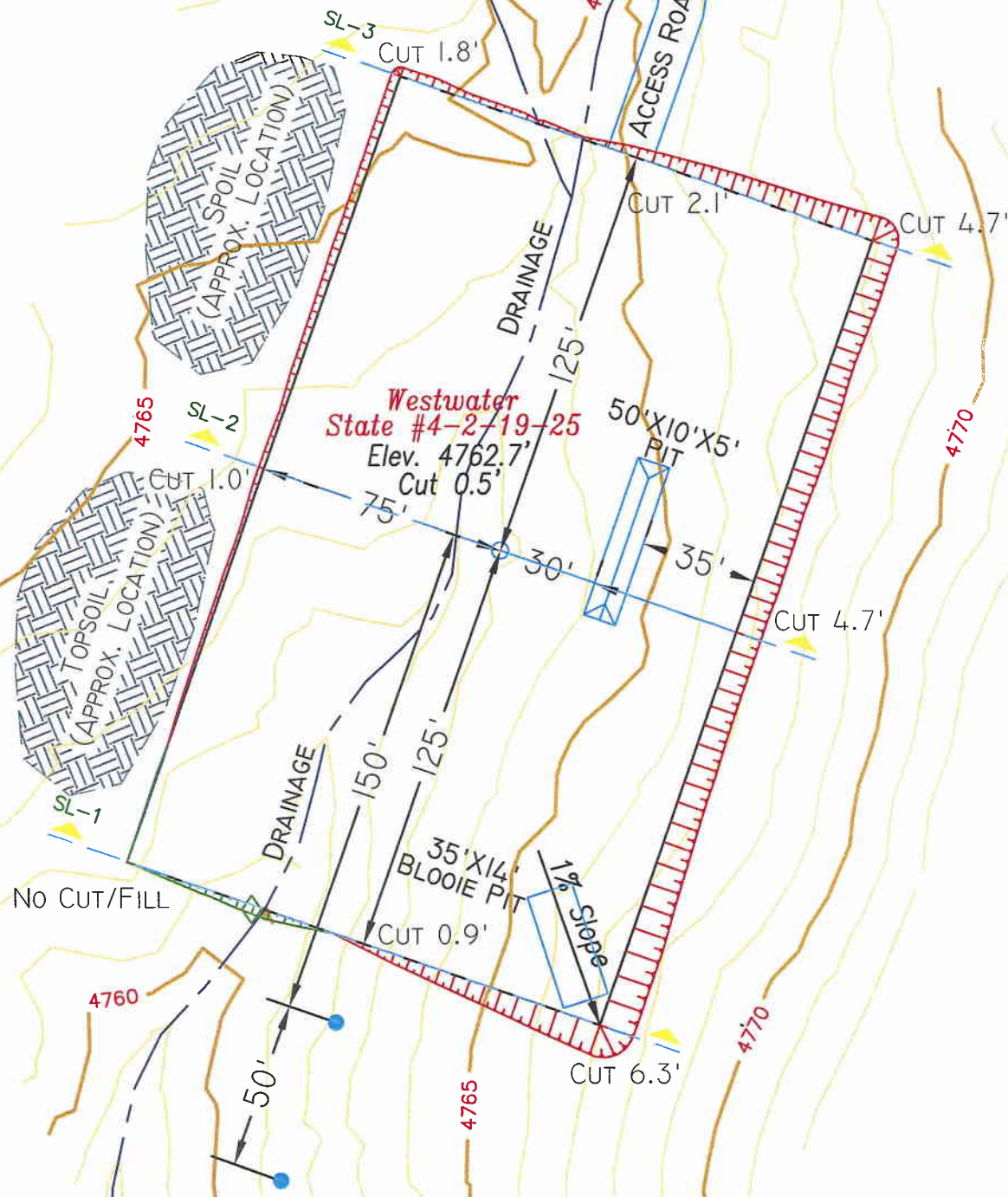
I hereby certify that I, or persons under my direct supervision have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct, and that the work associated with the operations proposed herein will be performed by Summit Operating, LLC. and its subcontractors in conformity with this plan and the terms and conditions under which it is approved.

6-3-09
Date


Larry W. Johnson
Talon Resources, Inc.

ELEVATION OF UNGRADED GROUND AT LOCATION STAKE = 4762.7'

ELEVATION OF GRADED GROUND AT LOCATION STAKE = 4762.2'



TALON RESOURCES, INC.

615 North 400 East P.O. Box 1230

Huntington, Utah 84528

Phone (435)687-5310 Fax (435)687-5311

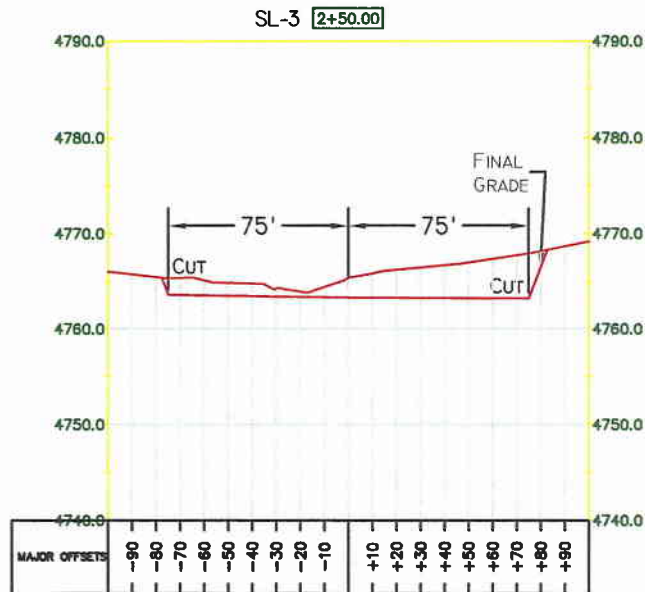
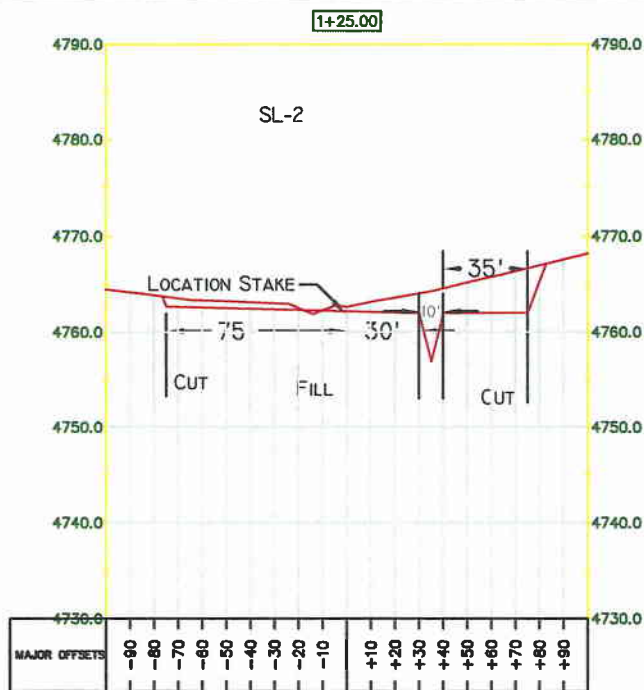
E-Mail talon@ctv.net

SUMMIT OPERATING

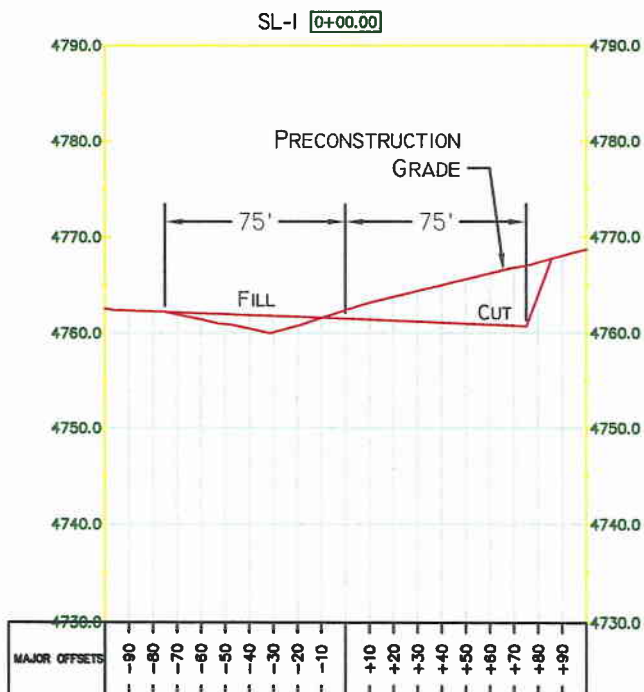
LOCATION LAYOUT

Section 2, T19S, R25E, S.L.B.&M.
Westwater State #4-2-19-25

Drawn By: N. BUTKOVICH	Checked By: L.W.J.
Drawing No. A-2	Date: 4/28/09
	Scale: 1" = 50'
Sheet 2 of 4	Job No. 4185



1"=10'
X-Section Scale
1"=40'



SLOPE = 1 1/2 : 1
(EXCEPT PIT)
PIT SLOPE = 1 : 1

APPROXIMATE YARDAGES

(6") TOPSOIL STRIPPING = 765 CU. YDS.

TOTAL CUT (INCLUDING PIT) = 2,865 CU. YDS.

TOTAL FILL = 120 CU. YDS.



TALON RESOURCES, INC.

615 North 400 East P.O. Box 1230

Huntington, Utah 84528

Phone (435)687-5310 Fax (435)687-5311

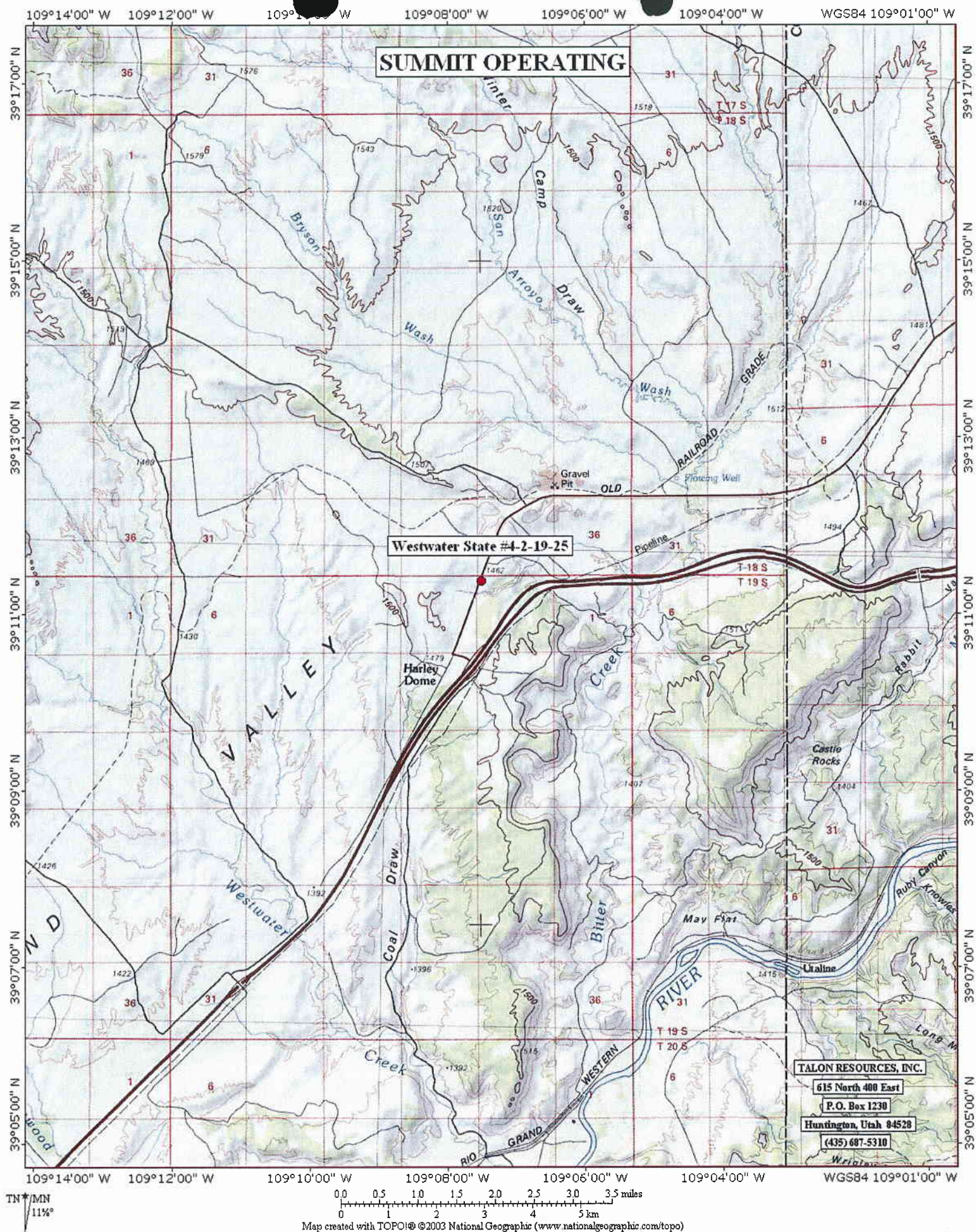
E-Mail talon@etv.net

SUMMIT OPERATING

TYPICAL CROSS SECTION

Section 2, T19S, R25E, S.L.B.&M.
Westwater State #4-2-19-25

Drawn By: N. BUTKOVICH	Checked By: L.W.J.
Drawing No. C-1	Date: 4/28/09
	Scale: 1" = 80'
Sheet 3 of 4	Job No. 4185





Westwater State #4-2-19-25

Image © 2009 DigitalGlobe

Google

39°11'30.69"N 109°06'55.93"W

elev 1435 m

Apr 12, 2004

Eye alt 8.63 km



Westwater State #4-2-19-25

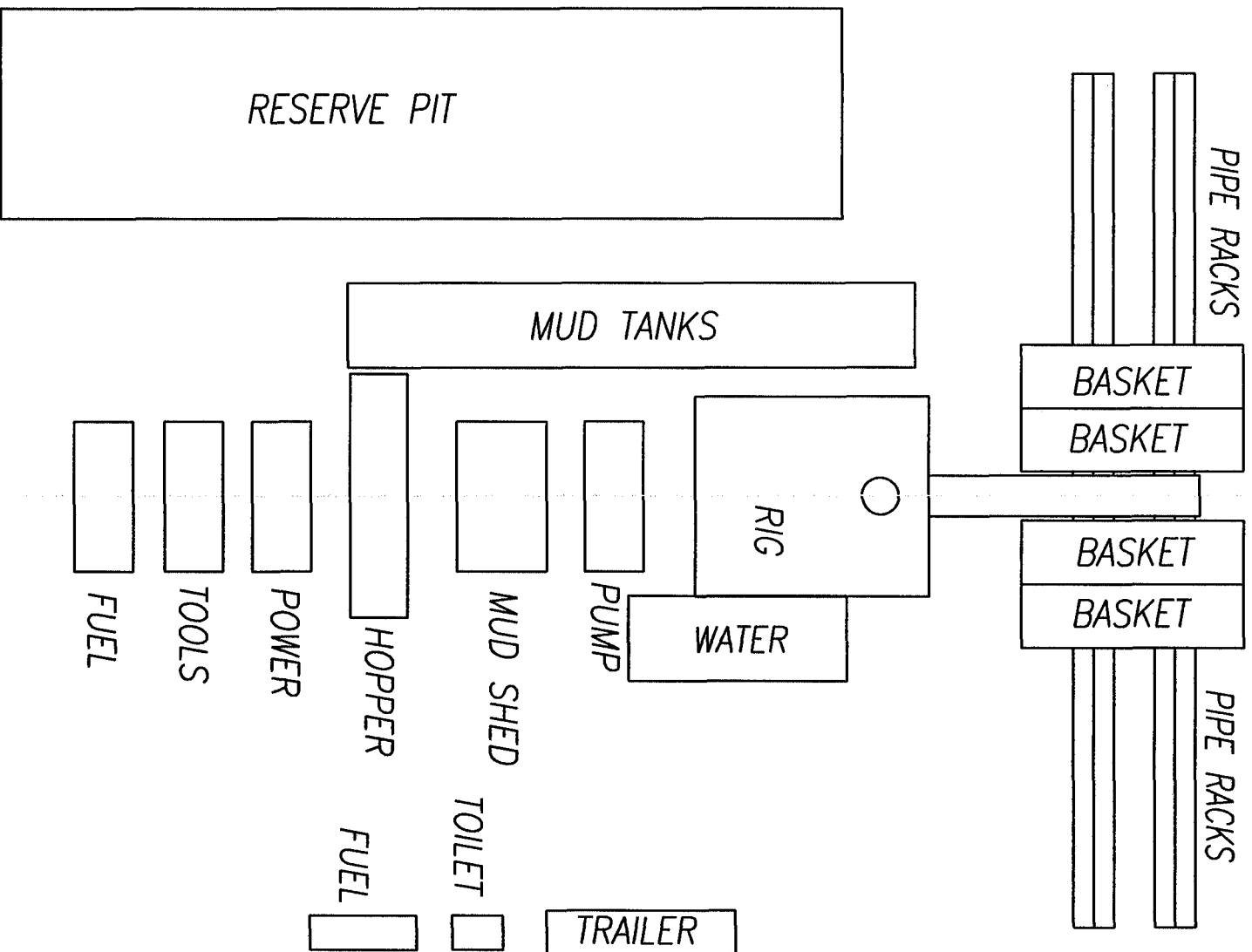
Image USDA Farm Service Agency

Image © 2009 DigitalGlobe

Google

Summit Operating

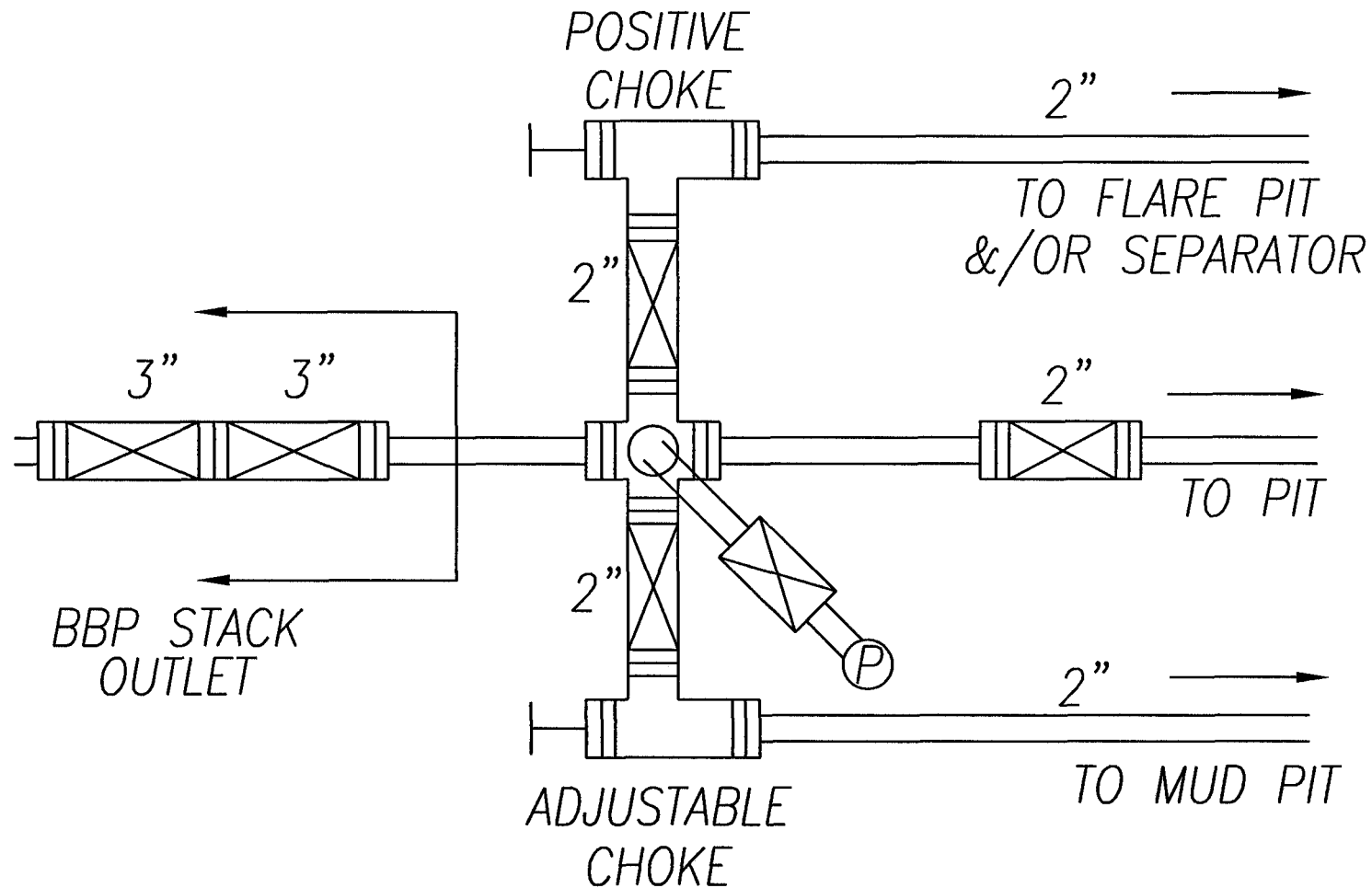
BLOOIE



RIG & EQUIPMENT LAYOUT
(Not to Scale)

Rig and Equipment Layout

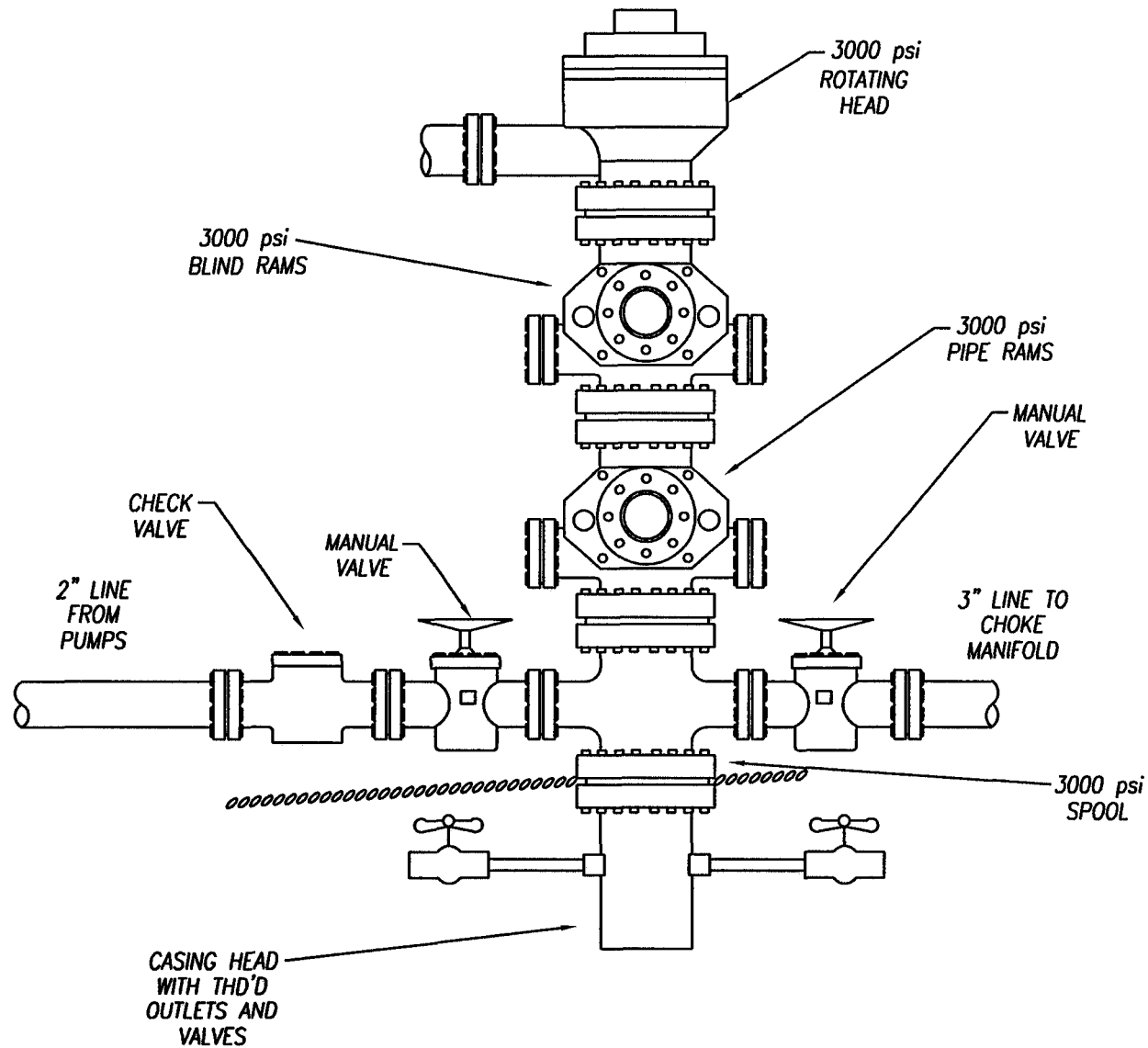
CHOKE MANIFOLD



Summit Operating

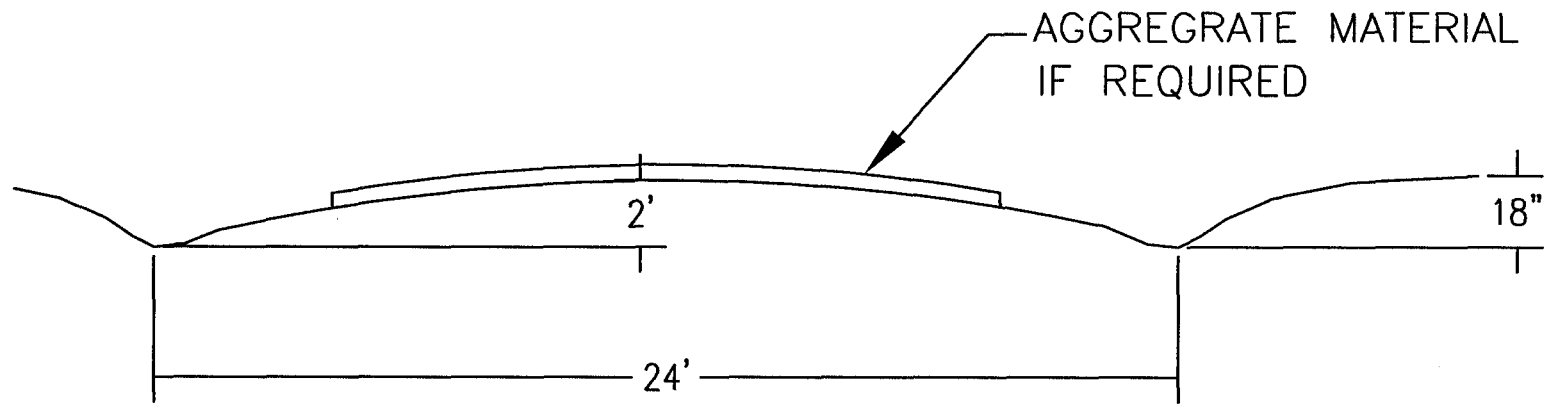
BOP Equipment

3000psi WP



Summit Operating

TYPICAL ROAD CROSS-SECTION



Typical Road Cross Section

Summit Operating

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 06/08/2009

API NO. ASSIGNED: 43-019-31623

WELL NAME: WESTWATER ST 4-2-19-25

OPERATOR: SUMMIT OPERATING, LLC (N2315)

CONTACT: DAVID KNUDSEN

PHONE NUMBER: 435-940-9001

PROPOSED LOCATION:

NWNW 02 190S 250E

SURFACE: 0503 FNL 0502 FWL

BOTTOM: 0503 FNL 0502 FWL

COUNTY: GRAND

LATITUDE: 39.18943 LONGITUDE: -109.12410

UTM SURF EASTINGS: 662013 NORTHINGS: 4339266

FIELD NAME: GREATER CISCO (205)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DKD	7/16/09
Geology		
Surface		

LEASE TYPE: 3 - State

LEASE NUMBER: ML-49255

SURFACE OWNER: 3 - State

PROPOSED FORMATION: CHIN

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

☒ Plat
☒ Bond: Fed[] Ind[] Sta[] Fee[]
(No. NZS633487)
☒ Potash (Y/N)
☒ Oil Shale 190-5 (B) or 190-3 or 190-13
☒ Water Permit
(No. MUNICIPAL)
☒ RDCC Review (Y/N)
(Date: _____)
☒ Fee Surf Agreement (Y/N)
☒ Intent to Commingle (Y/N)

LOCATION AND SITING:

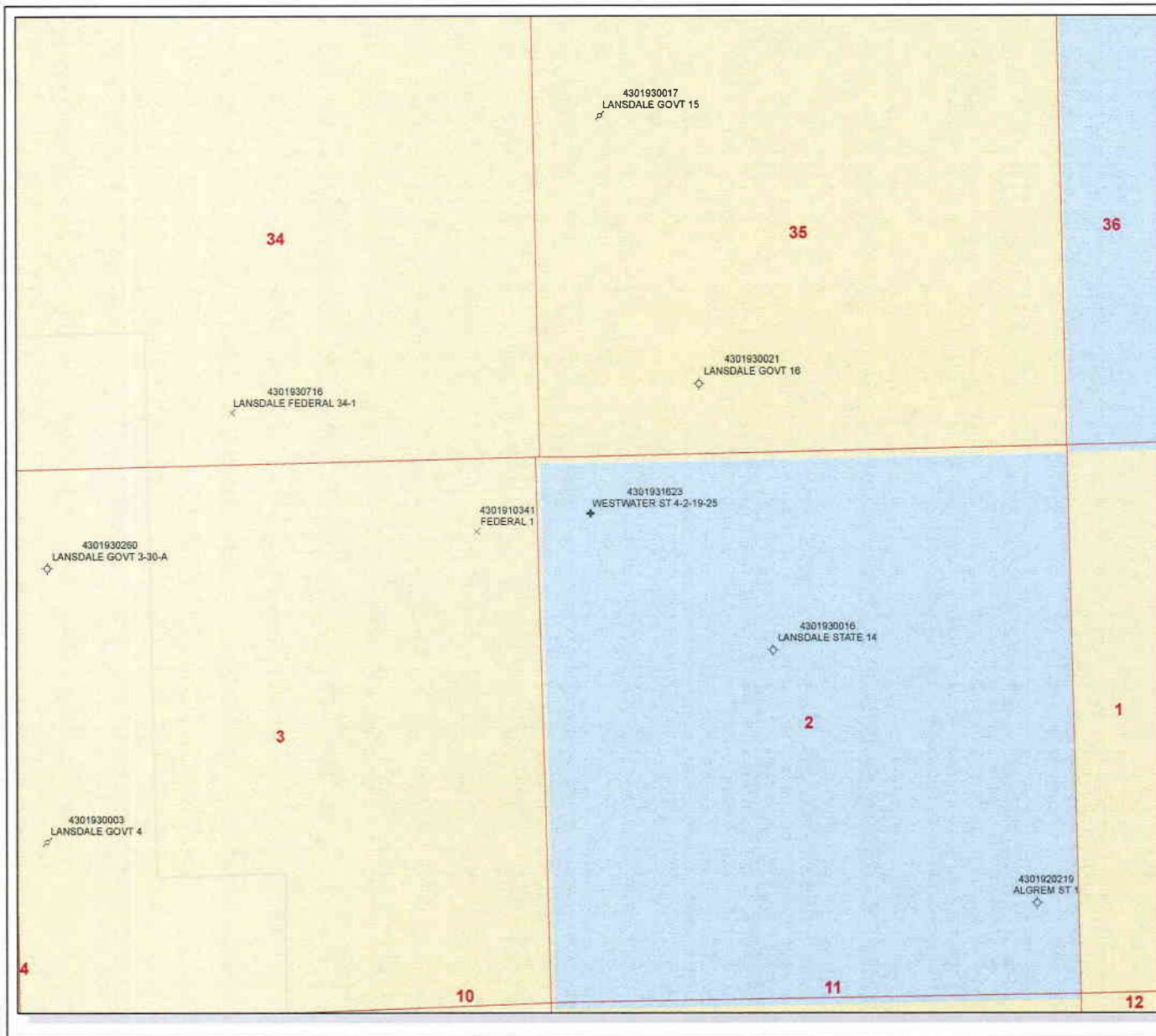
____ R649-2-3.
Unit: _____
____ R649-3-2. General
Siting: 460' From Qtr/Qtr & 920' Between Wells
____ R649-3-3. Exception
☒ Drilling Unit
Board Cause No: 102-16(B)
Eff Date: 11-15-1979
Siting: 500' fr property lease line & 200' fr 14'14' lines
400' fr OW & 1320' fr G.W.
____ R649-3-11. Directional Drill

COMMENTS:

Needs Permit (06-16-09)

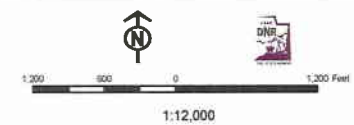
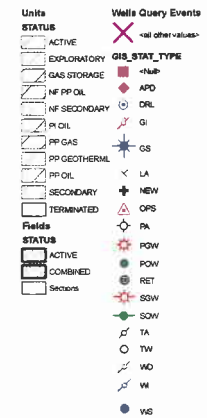
STIPULATIONS:

1- STATEMENT OF BASIS
2- Cont st.p #4 (9 5/8" and 7")



API Number: 4301931623
Well Name: WESTWATER ST 4-2-19-25
Township 19.0 S Range 25.0 E Section 02
Meridian: SLBM
Operator: SUMMIT OPERATING, LLC

Map Prepared:
 Map Produced by Diana Mason



Application for Permit to Drill

Statement of Basis

7/16/2009

Utah Division of Oil, Gas and Mining

Page 1

APD No	API WellNo	Status	Well Type	Surf Ownr	CBM
1627	43-019-31623-00-00		WD	S	No
Operator	SUMMIT OPERATING, LLC	Surface Owner-APD			
Well Name	WESTWATER ST 4-2-19-25	Unit			
Field	UNDESIGNATED	Type of Work			
Location	NWNW 2 19S 25E S 503 FNL 502 FWL GPS Coord (UTM) 662013E 4339266N				

Geologic Statement of Basis

Significant volumes of high quality ground water are likely to be encountered in the bedrock at this location. A poorly permeable soil is likely to be developed on the thin cover of Lower Shale Member of the Mancos Shale that likely overlies the Cretaceous age Dakota Sandstone. Good quality water is likely to be encountered in permeable Mesozoic sandstones found below the Mancos Shale. The well is likely to penetrate as many as four locally recognized aquifers. The proposed casing and cementing program and benign mud system should adequately isolate any zones of fresh water that may be penetrated. No underground water rights have been filed on any area within a mile of the proposed well site.

Chris Kierst
APD Evaluator

7/8/2009
Date / Time

Surface Statement of Basis

Pre-site evaluation completed June 16, 2009. In attendance: Bart Kettle-DOGM, Ed Bonner-SITLA, David Knudson-Summit Energy, LLC, Red Rash-Summit Energy, LLC. Invited and choosing not to attend: Chris Wood-DWR, Mark Wright-Grand County.

As proposed the well pad contains a epermeral drainage running the full length of the well pad at roughly the center. Drainage shall be diverted to the north of the well pad at the intersection with the access road. Diverstion point, culvert outlet and discharge shall be rip rapped with 6" or greater stone to prevent eclerated errosinon.

Reserve pit is being permitted as 50' long x 10' wide x 5' deep. Pit shall be properly lined with a 12 mil liner. Reserve pit shall not be used for the storage of produced fluids or outside E&P waste. Consistent with the Utah Oil and Gas Conservation General Rules R649-3 the reserve pit shall be reclaimed within one year following drilling of the well bore.

Grand County requires road encroachment permit for County Rd 193, and compliance with land use code.

Bart Kettle
Onsite Evaluator

6/16/2009
Date / Time

Conditions of Approval / Application for Permit to Drill

Category	Condition
Pits	A synthetic liner with a minimum thickness of 12 mils shall be properly installed and maintained in the reserve pit.
Surface	The reserve pit shall be fenced upon completion of drilling operations.
Surface	Drainages adjacent to the proposed pad shall be diverted around the location.

ON-SITE PREDRILL EVALUATION

Utah Division of Oil, Gas and Mining

Operator SUMMIT OPERATING, LLC
Well Name WESTWATER ST 4-2-19-25
API Number 43-019-31623-0 **APD No** 1627 **Field/Unit** UNDESIGNATED
Location: 1/4,1/4 NWNW **Sec** 2 **Tw** 19S **Rng** 25E 503 FNL 502 FWL
GPS Coord (UTM) **Surface Owner**

Participants

Bart Kettle-DOGM, Ed Bonner-SITLA, David Knudson-Summit Energy, LLC, Red Rash-Summit Energy, LLC. Invited and choosing not to attend: Chris Wood-DWR, Mark Wright-Grand County.

Regional/Local Setting & Topography

Proposed project site is located at the former Harley Dome site, in Grand County Utah. Annual precipitation is 8-10", vegetation is sparse at the project site, but would be described as salt scrub and Wyoming sage rangelands. Topography immediately adjacent to the project site is gently rolling clay flats. Drainage is to the southeast entering the Colorado River within 5 miles. No perennial water was observed in close proximity to the proposed project site. Drainages in the immediate area are ephemeral in nature, being dry throughout a majority of the year. On a regional setting the project is located in the Cisco Desert on the toe of the Uncompagdere up lift, a region known for it's harsh growing conditions due to low precipitation, and poorly developed salty soils. I-70, Rabbit Valley rest area, and Union Pacific train tracks are all located in close proximity to the proposed project.

Surface Use Plan

Current Surface Use

Grazing

Wildlife Habitat

New Road

Miles	Well Pad	Src Const Material	Surface Formation
0.1	Width 145 Length 250		MDB

Ancillary Facilities

Waste Management Plan Adequate?

Environmental Parameters

Affected Floodplains and/or Wetland Y

As proposed a wash cuts through the center of the well pad, diversion required.

Flora / Fauna

Grass: Curly gallata, cheat grass, bottle brush squirrel tail, Indian rice grass, Salina wild rye.

Forbs: Red steam filaree, halogeton, sunflower, apricot globe mallow, aster spp.

Shrubs: Wyoming sage, black grease wood, shadscale, spiny hop sage.

Trees: None

Other: prickly pear spp.

Soil Type and Characteristics

Mixture of Dakota sandstone outcrops and decomposed Mancos shale forming heavy gray clays mixed with gray sands.

Erosion Issues Y

Soils prone to wind erosion once disturbed. Access and well pad will require periodic watering to prevent them from forming large pockets of powder. Additional mitigation not recommended.

Sedimentation Issues N**Site Stability Issues N****Drainage Diversion Required Y**

Drainage should be diverted to the north of the well pad at the culvert for the access road. Diversion point and discharge point shall be rip rapped with 6" or greater rock.

Berm Required? N**Erosion Sedimentation Control Required? Y**

Periodic application of fresh water to access road and well pad.

Paleo Survey Run? N Paleo Potential Observed? N Cultural Survey Run? N Cultural Resources? N

Reserve Pit**Site-Specific Factors****Site Ranking**

Distance to Groundwater (feet)	>200	0
Distance to Surface Water (feet)	>1000	0
Dist. Nearest Municipal Well (ft)	>5280	0
Distance to Other Wells (feet)	>1320	0
Native Soil Type	Mod permeability	10
Fluid Type	Fresh Water	5
Drill Cuttings	Normal Rock	0
Annual Precipitation (inches)	10 to 20	5
Affected Populations	<10	0
Presence Nearby Utility Conduits	Not Present	0

Final Score 20 1 Sensitivity Level

Characteristics / Requirements

Closed Loop Mud Required? N Liner Required? Y Liner Thickness 12 Pit Underlayment Required? N

Other Observations / Comments

Proposed project is being permitted with SITLA as a Surface special use lease. As proposed project would accept E&P fluids from surrounding states and would be assessed additional payments.

Grand County has not been contacted regarding use of County Road 193, or an encroachment for the access road. Zoning and Land Use codes have not been addressed with Grand County.

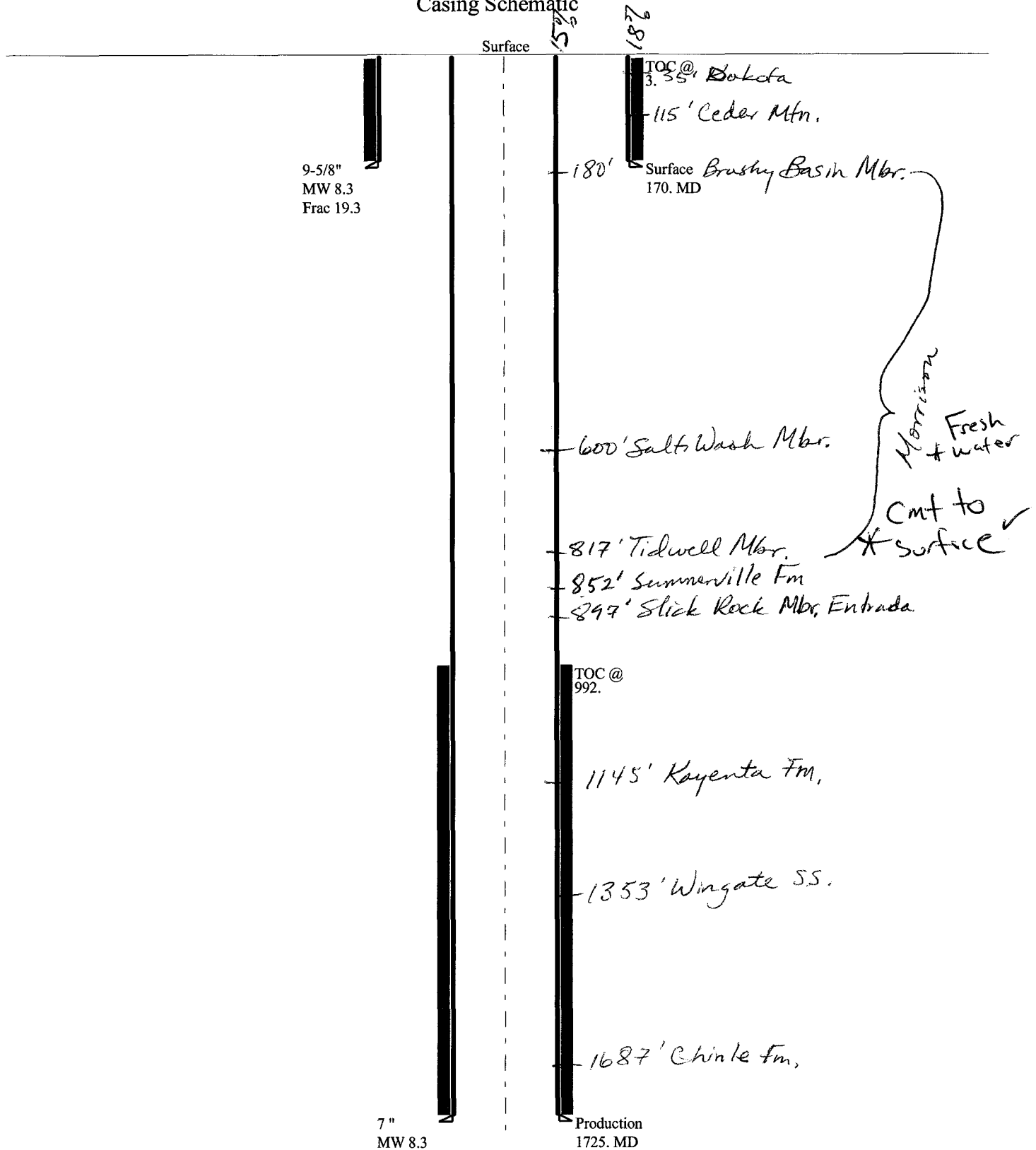
Arch and Paleo inventories have not been completed.

Bart Kettle
Evaluator

6/16/2009
Date / Time

43019316230000 Westwater ST 4-2-19-25

Casing Schematic



Well name:	43019316230000 Westwater ST 4-2-19-25	
Operator:	Summit Operating, LLC	Project ID:
String type:	Surface	43-019-31623-0000
Location:	Grand County	

Design parameters:

Collapse

Mud weight: 8.330 ppg
Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 67 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 120 ft

Cement top: 3 ft

Burst

Max anticipated surface pressure: 150 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 170 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on air weight.
Neutral point: 149 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 1,725 ft
Next mud weight: 8.330 ppg
Next setting BHP: 746 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 170 ft
Injection pressure: 170 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	170	9.625	32.30	H-40	ST&C	170	170	8.876	75.1
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	74	1370	18.623	170	2270	13.35	5	254	46.26 J

Prepared by: Helen Sadik-Macdonald
Div of Oil, Gas & Mining

Phone: 810-538-5357

Date: July 15, 2009
Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 170 ft, a mud weight of 8.33 ppg. The casing is considered to be evacuated for collapse purposes.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:	43019316230000 Westwater ST 4-2-19-25		
Operator:	Summit Operating, LLC		
String type:	Production	Project ID:	43-019-31623-0000
Location:	Grand County		

Design parameters:
Collapse

Mud weight: 8.330 ppg
Design is based on evacuated pipe.

Minimum design factors:
Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 89 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 368 ft

Cement top: 992 ft

Burst

Max anticipated surface pressure: 539 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 746 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on air weight.
Neutral point: 1,509 ft

Non-directional string.

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	1725	7	23.00	J-55	LT&C	1725	1725	6.25	381.3

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	746	3270	4.381	746	4360	5.84	40	313	7.89 J

Prepared by: Helen Sadik-Macdonald
Div of Oil, Gas & Mining

Phone: 810-538-5357

Date: July 15, 2009
Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 1725 ft, a mud weight of 8.33 ppg. The casing is considered to be evacuated for collapse purposes.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

BOPE REVIEW

Summit Westwater ST 4-2-19-25 API 43-019-31623-0000

INPUT

Well Name

Summit Westwater ST 4-2-19-25 API 43-019-31623-0000			
String 1	String 2		
8 5/8	7		
500	1725		
0	500		
8.33	8.33	✓	
500	2000		
2950	9240		
700	7.8 ppg	✓	

Casing Size (")

Setting Depth (TVD)

Previous Shoe Setting Depth (TVD)

Max Mud Weight (ppg)

BOPE Proposed (psi)

Casing Internal Yield (psi)

Operators Max Anticipated Pressure (psi)

Calculations

		String 1	8 5/8 "	
Max BHP [psi]		.052*Setting Depth*MW =	217	
				BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) [psi]		Max BHP-(0.12*Setting Depth) =	157	YES ✓ Air Drill
MASP (Gas/Mud) [psi]		Max BHP-(0.22*Setting Depth) =	107	YES
				*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth) =	107	NO	OK
Required Casing/BOPE Test Pressure		500	psi	
*Max Pressure Allowed @ Previous Casing Shoe =		0	psi	*Assumes 1psi/ft frac gradient

Calculations

		String 2	7 "	
Max BHP [psi]		.052*Setting Depth*MW =	747	
				BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) [psi]		Max BHP-(0.12*Setting Depth) =	540	YES ✓ Air until mud required
MASP (Gas/Mud) [psi]		Max BHP-(0.22*Setting Depth) =	368	YES
				*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth) =	478	YES	✓
Required Casing/BOPE Test Pressure		1725	psi	
*Max Pressure Allowed @ Previous Casing Shoe =		500	psi	*Assumes 1psi/ft frac gradient

utah
gov

Online Services

Agency List

Business

 Search

Utah Division of Water Rights



There are no features in the query area.

Click on the back button to try again

Please direct questions and comments regarding the map server to: leeschler@utah.gov.

[back](#)[close](#)

Utah Division of Water Rights | 1594 West North Temple Suite 220, P.O. Box 146300, Salt Lake City, Utah 84114-6300 | 801-538-7240
[Natural Resources](#) | [Contact](#) | [Disclaimer](#) | [Privacy Policy](#) | [Accessibility Policy](#)

Diana Mason - Fwd: Water injection well

From: Brad Hill
To: Mason, Diana
Date: 8/3/2009 1:16 PM
Subject: Fwd: Water injection well

>>> Kurt Higgins 7/30/2009 5:07 PM >>>
Brad,
Special Use Lease Application No. 1630

We have an application from Summit Operating, LLC for a Class 2 salt water disposal well located in Grand County described as T19S, R25E SLB&M Section 2. Proposed Westwater State #4-2-19-25.

Our archaeological staff has reviewed a survey report by GRI (U-09-GB-0358s) with a finding of no historic properties.

A paleontological survey was conducted June 6, 2009 Joshua Smith - BLM Colorado Permit C-60700. No vertebrate fossils were discovered during the survey. Abundant invertebrate fossils littered the surface. These invertebrate fossils were mostly disarticulated fragments from the underlying Dakota Formation. No paleontological restrictions should be placed on development of the site. Should vertebrate fossils be discovered during construction a qualified paleontologist should be contacted to evaluate the discovery.
(this provision will be included in our lease when executed)
Kurt

Kurt M. Higgins
Trust Lands Resource Specialist
School and Institutional
Trust Lands Administration
675 East 500 South, Suite 500
Salt Lake City, Utah 84102-2818

Phone: (801) 538-5100
Fax: (801) 355-0922
Email: khiggins@utah.gov



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

August 3, 2009

Summit Operating, LLC
1441 Ute Blvd, Ste. 280
Park City, UT 84098

Re: Westwater State 4-2-19-25 Well, 503' FNL, 502' FWL, NW NW, Sec. 2, T. 19 South, R. 25 East, Grand County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-019-31623.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Grand County Assessor
SITLA



Operator: Summit Operating, LLC
Well Name & Number Westwater State 4-2-19-25
API Number: 43-019-31623
Lease: ML-49255

Location: NW NW Sec. 2 T. 19 South R. 25 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

The operator is required to notify the Division of Oil, Gas and Mining of the following action during drilling of this well:

- 24 hours prior to cementing or testing casing – contact Dan Jarvis
- 24 hours prior to testing blowout prevention equipment – contact Dan Jarvis
- 24 hours prior to spudding the well – contact Carol Daniels
- Within 24 hours of any emergency changes made to the approved drilling program – contact Dustin Doucet
- Prior to commencing operations to plug and abandon the well – contact Dan Jarvis

The operator is required to get approval from the Division of Oil, Gas and Mining before performing any of the following actions during the drilling of this well:

- Plugging and abandonment or significant plug back of this well – contact Dustin Doucet
- Any changes to the approved drilling plan – contact Dustin Doucet

The following are Division of Oil, Gas and Mining contacts and their telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at: (801) 538-5338 office (801) 942-0871 home
- Carol Daniels at: (801) 538-5284 office
- Dustin Doucet at: (801) 538-5281 office (801) 733-0983 home

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.
5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)
6. Cement volumes for the 9 5/8" and 7" casing strings shall be determined from actual hole diameters in order to place cement from the pipe setting depths back to the surface.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER:

Sitla 5319

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:

Westwater State 4-2-19-25

9. API NUMBER:

4301931623

10. FIELD AND POOL, OR WILDCAT:

1. TYPE OF WELL

OIL WELL ☐

GAS WELL ☐

OTHER Disposal well

2. NAME OF OPERATOR:

Summit Operating LLC

3. ADDRESS OF OPERATOR:

1441 Ute Blvd Suite 280

CITY Park City

STATE Ut

ZIP 84098

PHONE NUMBER:

(432) 940-9001

4. LOCATION OF WELL

FOOTAGES AT SURFACE:

COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 2 19S 25E

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input checked="" type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Summit hereby proposes to change the design of the well head to eliminate the BOP and use a flow diverter as described in the attached schematic.

COPY SENT TO OPERATOR

Date: 9.9.2009

Initials: KS

NAME (PLEASE PRINT)

David Knudson

TITLE

Operations

SIGNATURE

[Signature]

DATE

Sept 3-09

(This space for State use only)

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING

DATE 9/3/09

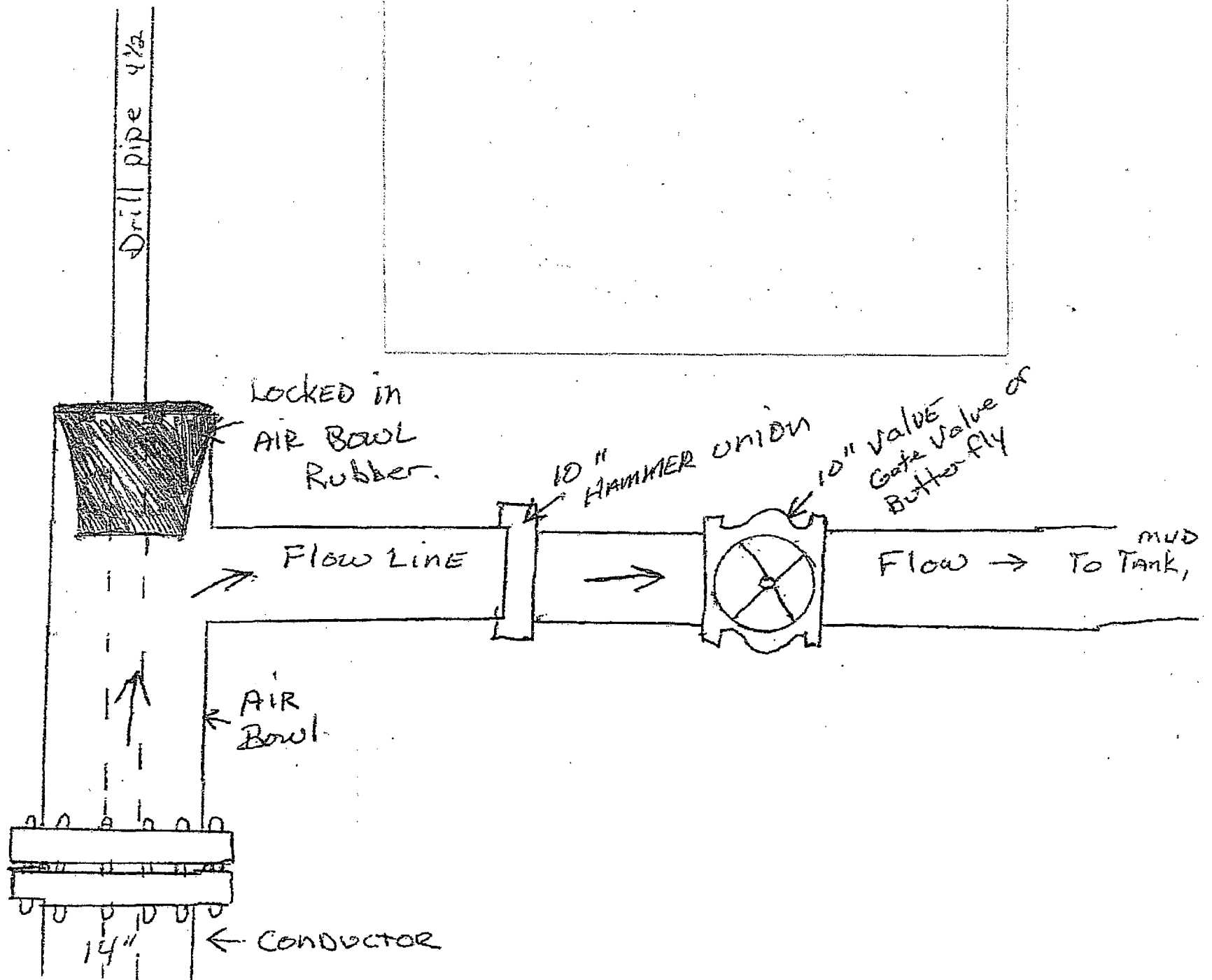
BY: [Signature]

(See Instructions on Reverse Side)

RECEIVED

SEP 03 2009

DIV. OF OIL, GAS & MINING



STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL	OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <u>Disposal Well</u>	5. LEASE DESIGNATION AND SERIAL NUMBER: SITLA 5319
2. NAME OF OPERATOR: Summit Operating		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1441 Ute Blvd Suite 280	CITY Park City STATE Ut ZIP 84098	7. UNIT or CA AGREEMENT NAME:
	PHONE NUMBER: (435) 940-9001	8. WELL NAME and NUMBER: Westwater State 4-2-19-25
4. LOCATION OF WELL		9. API NUMBER: 4301931623
FOOTAGES AT SURFACE:		10. FIELD AND POOL, OR WILDCAT:

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 2 19S 25E COUNTY: Grand County
STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input checked="" type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Summit requests the following change on the proposed casing and cementing program:

Size of hole	casing size, grade, weight	set depth	Cement Type, quantity, yield, and slurry weight
20"	14" A53 Grade B 36.75#	120	Class G 2% Calcium Chloride, 1/4lb per sack flow sill 244 sacks 1.15 cu ft/sk 15.8 ppg
12 1/4"	8 5/8" J55 24#	1,725	Hi fill 186 sacks, 3.82 cu ft/sk 11 ppg and Class G 2% Calcium Chloride, 1/4lb per sac flow sill 366 sacks 1.15 cu ft/sk 15.8 ppg

COPY SENT TO OPERATOR

Date: 9.3.2009
Initials: KS

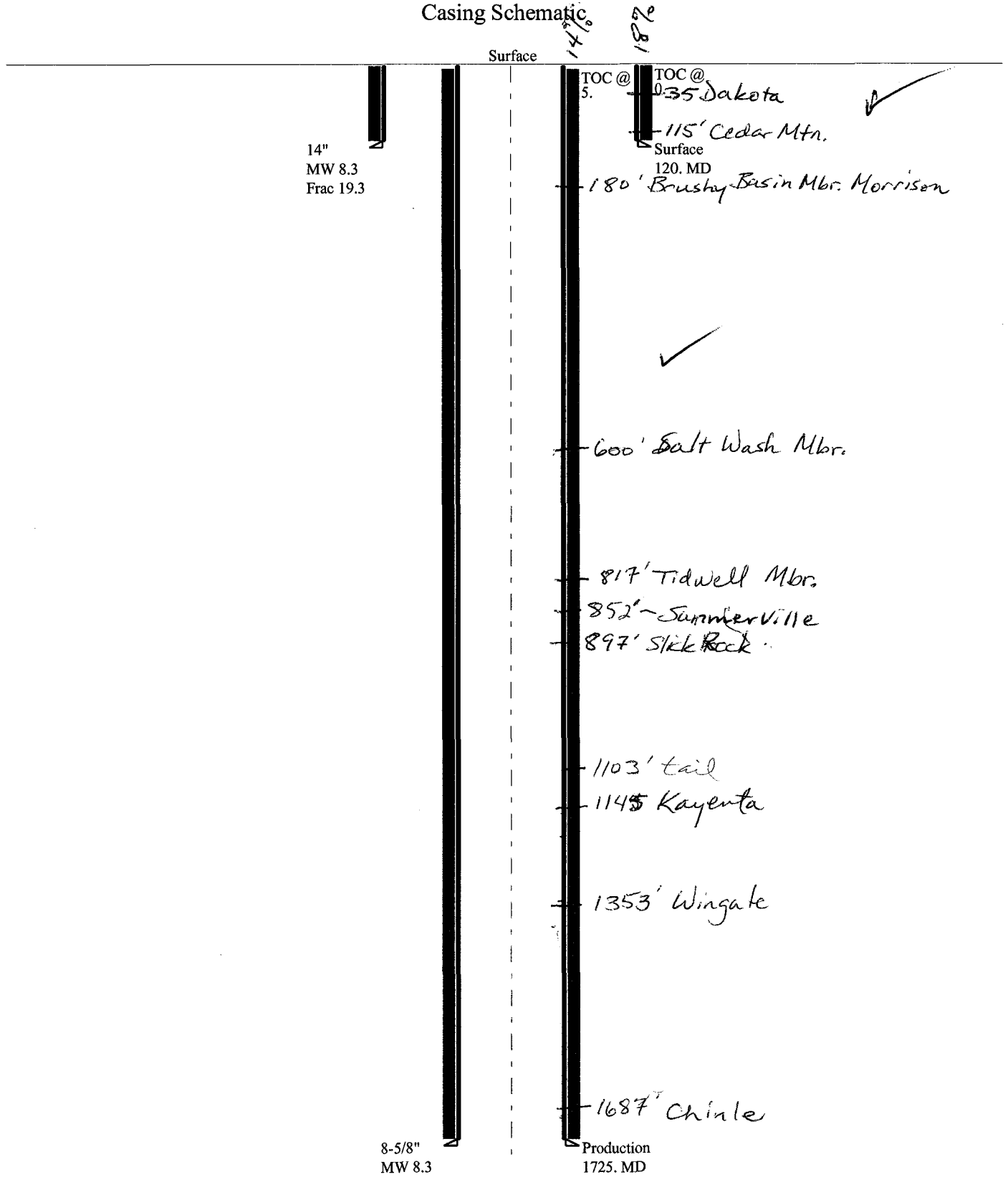
NAME (PLEASE PRINT) David Knudsen TITLE Operations
SIGNATURE [Signature] DATE 11-2-09

(This space for State use only)

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING
DATE 9/3/09
BY: [Signature] (See Instructions on Reverse Side)

43019316230000 Westwater ST 4-2-19-25

Casing Schematic



Well name:	43019316230000 Westwater ST 4-2-19-25		
Operator:	Summit Operating, LLC		
String type:	Production	Project ID:	43-019-31623-0000
Location:	Grand County		

Design parameters:

Collapse

Mud weight: 8.330 ppg
Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 89 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 368 ft
Cement top: 5 ft

Burst

Max anticipated surface pressure: 539 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 746 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on air weight.
Neutral point: 1,509 ft

Non-directional string.

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	1725	8.625	24.00	J-55	ST&C	1725	1725	7.972	616.8
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	746	1370	1.835	746	2950	3.95	41	244	5.89 J

Prepared by: Helen Sadik-Macdonald
Div of Oil, Gas & Mining

Phone: 810-538-5357

Date: September 3, 2009
Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
Collapse is based on a vertical depth of 1725 ft, a mud weight of 8.33 ppg. The casing is considered to be evacuated for collapse purposes.
Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <u>Injection</u>		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-49255
2. NAME OF OPERATOR: Summit Operating, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: 1245 Brickyard Road # 210 CITY <u>Salt Lake City</u> STATE <u>Ut</u> ZIP <u>84106</u>		7. UNIT or CA AGREEMENT NAME: N/A
PHONE NUMBER: (435) 940-9001		8. WELL NAME and NUMBER: Westwater State 4-2-19-25
4. LOCATION OF WELL FOOTAGES AT SURFACE: 503' FNL, 502' FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 2 19S 25E S		9. API NUMBER: 4301931623
COUNTY: Grand STATE: UTAH		10. FIELD AND POOL, OR WILDCAT: Greater Cisco

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Extension of APD</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Summit hereby requests an extension of the above described APD.

COPY SENT TO OPERATOR

Date: 10-11-2010

Initials: KS

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 10-06-10
By: [Signature]

NAME (PLEASE PRINT) <u>David Knudson for Summit Operating, LLC</u>	TITLE <u>Land</u>
SIGNATURE <u>[Signature]</u>	DATE <u>10/4/2010</u>

(This space for State use only)

RECEIVED

OCT 04 2010

DIV. OF OIL, GAS & MINING



**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 43-019-31623
Well Name: Westwater State 4-2-19-25
Location: NWNW sec 2, T19S, R25E
Company Permit Issued to: Summit Operating, LLC
Date Original Permit Issued: 8/3/2009

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☒

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒


Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐


Signature

Oct 6, 2010
Date

Title: Operations

Representing: Summit Operating, LLC



GARY R. HERBERT
Governor

GREG BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

October 3, 2011

Summit Operating, LLC.
1245 Brickyard Road #210
Salt Lake City, UT 84106

Re: APD Rescinded – Westwater State 4-2-19-25, Sec. 2, T.19S, R.25E
Grand County, Utah API No. 43-019-31623


Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on August 3, 2009. On October 6, 2010 the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective October 3, 2011.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,


Diana Mason
Environmental Scientist

cc: Well File
SITLA, Ed Bonner

